



BRIEFING

New Zealand Screen Sector Work Programme

Date:	4 September 2018	Priority:	Medium
Security classification:	Sensitive	Tracking number:	BR2018/500 0855 18-19

Action sought		
	Action sought	Deadline
Rt Hon Jacinda Ardern Minister for Arts, Culture and Heritage	Agree to discuss the issues raised in this briefing with relevant Ministers and officials.	11 September 2018
Hon David Parker Minister for Economic Development	Agree to discuss the issues raised in this briefing with relevant Ministers and officials.	11 September 2018
Hon Grant Robertson Associate Minister for Arts, Culture and Heritage	Agree to discuss the issues raised in this briefing with relevant Ministers and officials.	11 September 2018
Hon Clare Curran Minister for Broadcasting, Communications and Digital Media	Agree to discuss the issues raised in this briefing with relevant Ministers and officials.	11 September 2018

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Robyn Henderson	Manager, Sectors, MBIE	04 901 1305	✓
Colin Holden	Manager, Arts and Media Policy, MCH	04 499 4229 ex 544	

The following departments/agencies have been consulted
The Treasury has been consulted on this paper, and is providing separate advice to the Minister of Finance.

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments

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Purpose

This briefing reports on the initial work officials have underway with the screen industry on the development of a long-term strategy for the sector. It also provides an overview of the objectives and policy settings for the *New Zealand Screen Production Grant* (NZSPG), and the current trajectory of associated fiscal expenditure.

This paper proposes Ministers consider, as an early step, whether there is comfort with current policy settings for the grant given the fiscal risks, its significance to the industry, and the impact of any changes for the sector's longer term strategic direction.

Executive summary

The Minister for Arts, Culture and Heritage has initiated a project to develop a long-term strategy for growing the contribution of the New Zealand screen sector. Officials from the Ministry for Culture and Heritage (MCH) and the Ministry of Business, Innovation and Employment (MBIE) have held initial discussions with key stakeholders about how best to approach this work, and early soundings have revealed an appetite to establish an industry group to lead the strategy development process. Officials will continue working with industry over the coming months to agree a scope and process for this work, including what support the Government will provide.

Although there is enthusiasm from industry for a long-term strategy, it comes at a time of immediate uncertainty over the future of the *New Zealand Screen Production Grant* (NZSPG). Industry players are concerned the Government may be intending to modify the grant to limit its fiscal exposure, with consequential implications for the sector's global competitiveness and business revenues.

This uncertainty relates in part to the recent publication of an independent evaluation of the NZSPG. The researchers estimated net economic benefits of \$361.1 million were generated by the grant between 2014 and 2017, but difficulties in data and modelling the counterfactual mean we simply cannot be certain of the grant's net economic return to New Zealand.

Currently the NZSPG has a fiscal cost of around \$160m per year, of which \$140m stems from incentives designed to encourage international projects to New Zealand. This is delivered through an uncapped, non-discretionary cash rebate on eligible screen production expenditure of 20 per cent (or 25 per cent in certain circumstances) for international projects, and a rebate of 40 per cent for domestic productions with significant New Zealand content. With the sector experiencing healthy market demand, we expect the call on the grant is more likely to continue to rise than fall in the near term.

This briefing sets out the current policy settings underpinning the NZSPG, the outcomes sought, and the budgetary implications. If Ministers are comfortable with the grant's current policy settings we recommend that this is communicated to industry, and that future budgetary allocations are set at a level appropriate to forecast activity. If not, there are some policy interventions which could be explored. A selection of these are outlined in this briefing, however significant analysis and consultation would be required before these could be presented for consideration. Section 9(2)(g)(i)

Section 9(2)(g)(i)

Officials are keen to discuss these issues with Ministers on 11 September, and ascertain whether there is an appetite to explore modifications to the NZSPG before consultation on the screen strategy gets fully underway.

Out of scope

Recommended action

The Ministry of Business, Innovation and Employment and Ministry for Culture and Heritage recommend that you:

- a **Note** that initial discussions with New Zealand screen industry representatives on the development of a long-term strategy for the sector have commenced, and that interest is being shown in a representative industry body taking a lead role in this work.

Noted

- b **Note** that if demand persists at current levels with no change to policy or externalities, the call on the NZSPG from international productions is expected to continue at levels of \$140+ million per annum.

Noted

- c Section 9(2)(f)(iv)

Noted

- d **Note** that this briefing outlines, at a high level, policy options which could be further explored by officials to stem fiscal pressures, and that some of these would likely elicit a strong reaction from industry.

Noted

- e **Agree** to meet with relevant Ministers and officials to discuss the issues outlined in this briefing.

Agree / Disagree

Section 9(2)(a)

Section 9(2)(a)

Colin Holden
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4 / 9 / 2018

Robyn Henderson
Manager, Sectors
Labour, Science and Enterprise, MBIE

4 / 9 / 2018

Hon Jacinda Ardern
Minister for Arts, Culture and Heritage

..... / /

Hon David Parker
Minister for Economic Development

..... / /

Hon Grant Robertson
**Associate Minister for Arts, Culture and
Heritage**

..... / /

Hon Claire Curran
**Minister for Broadcasting,
Communications and Digital Media**

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Development of a long term strategy for the screen sector

1. New Zealand's screen sector provides an important contribution to the country's economic and cultural wellbeing. The sector as a whole contributed \$3.5 billion to GDP in 2017, supported around 14,000 jobs, and generated significant services export earnings. The sector aligns well with New Zealand's wider transition to a low carbon, knowledge-based economy, and an export profile based on value rather than volume.
2. Although the sector is currently in good health, globally the screen industry is in a period of disruption, with new markets, technologies and delivery platforms such as online streaming, and AR/VR¹ challenging traditional ways of doing business. In response, many foreign jurisdictions have developed long-term strategic plans to assist policy makers and industry to plan for the opportunities and challenges ahead.
3. In February 2018 MCH officials discussed with the Minister for Arts, Culture and Heritage a strategic work programme for the New Zealand screen sector (BR2018/105 refers), and were asked to work with the screen industry to develop a ten-year strategy for the sector.
4. Initial work has commenced, including preliminary discussions with the New Zealand Film Commission and NZ on Air. There is broad interest in this initiative, and the opportunity to better understand the changes in the international environment and consider how New Zealand might position itself to maximise the benefits stemming from these.
5. Section 9(2)(g)(i)

6. Officials are supportive of industry taking a leading role in the development of the screen strategy. The sector continues to experience strong growth, but remains dependent on government support under the *New Zealand Screen Production Grant* (NZSPG) and is vulnerable to externalities, such as global competition, rapid shifts in technology and audience preferences, uneven production cycles, and other influences on cost competitiveness (such as exchange rates and comparative labour costs). Officials consider industry representatives are well placed to understand these issues, and identify pathways to position the sector toward greater resilience and sustainability.

Indicative timeline for strategy development

7. Officials and industry anticipate spending the remainder of 2018 establishing an agreed framework for industry and government collaboration, including terms of reference for the strategy development group. Section 9(2)(g)(i)

However, both officials and key stakeholders suggest substantive development of the strategy, including drafting and publication, takes place in 2019.

Obstacle to progress on the screen strategy: uncertainty over the NZSPG

8. Although there is interest amongst industry in taking a long-term, strategic approach to the sector, this is complicated by immediate concern and uncertainty that policy changes to the NZSPG are being contemplated.

¹ AR/VR: augmented reality and virtual reality

9. The industry's primary concern is the future of New Zealand's screen incentive programme, the NZSPG, on which most screen businesses are heavily dependent. There is widespread awareness that the grant involves a significant contribution from Government, and there are fears that the Government plans to modify policy settings in order to address the current lack of fiscal controls and growing financial cost of the NZSPG scheme.
10. To facilitate a constructive and forward-looking engagement with industry on the screen strategy, there is a need to ascertain Ministers' level of comfort with the NZSPG and associated fiscal implications at any early stage. If Ministers are comfortable with the current policy settings in the short term, officials will move quickly to progress the strategy and make appropriate budgetary allocations. Alternatively, if Ministers wish to explore changes to the incentive programme, it is likely that the policy and consultation process for this work would push substantive progress on the strategy well into 2020. We therefore encourage Ministers to discuss the options for fiscal control of the NZSPG in light of their ambitions for strategy development.

New Zealand Screen Production Grant (NZSPG)

11. The Government's principal intervention in the screen sector is the *New Zealand Screen Production Grant* (NZSPG). The NZSPG has two components; the *NZSPG – International* with economic and industry development objectives, and the *NZSPG – New Zealand* with cultural and industry development objectives. Accordingly the grant is funded via two appropriations (Vote Business, Science and Innovation and Vote Arts, Culture and Heritage).
12. The NZSPG was established in 2014 as a successor to the internationally focused Large Budget Screen Production Grant, which was no longer considered globally competitive, and the locally focused Screen Production Incentive Fund. The rebate rate was increased to 20 per cent for international productions (25 per cent in certain circumstances) and 40 per cent for domestic productions, without increasing the total funding available. These changes were successful in restoring a vibrant screen industry, and a growth in employment and economic activity, but this success has also increased the fiscal call on the grant beyond what was originally anticipated, whilst the NZSPG's overall net economic benefit remains unknown.

Overview of the New Zealand Screen Production Grant

Component	Objective	Rebate	Appropriation
NZSPG - International	To provide economic and industry development benefits to New Zealand by incentivising screen production (and the resulting production expenditure in New Zealand) that would not have otherwise been made here.	20 – 25% 20 - 18% (PDV) ²	Vote Business, Science and Innovation
NZSPG - New Zealand	To build the sustainability, scale and critical mass of the domestic industry, and support the development of New Zealand creatives; and to provide cultural benefits to New Zealand by supporting the creation of New Zealand content and stories.	40%	Vote Arts, Culture and Heritage.

² The rebate for postproduction, digital and visual effects operates on a sliding scale, with 20% for the first \$25m and 18% thereafter.

13. MCH and MBIE recently completed an evaluation of the NZSPG with limited results³. The evaluation found significant economic and cultural benefit had likely resulted from the grant, and estimated a net economic benefit of \$361.1m was generated between 2014 and 2017. However, Treasury and two peer reviews disagree with some of the assumptions made, notably the counterfactual. This means that the NZSPG's overall net economic benefit is unknown.
14. The number and scale of screen projects supported under the NZSPG has grown since its establishment in 2014, particularly in the case of international projects, and the commensurate growth in rebate payments has put significant fiscal pressure on the appropriations. Drivers of this growth are multifaceted, but are linked to the introduction of more favourable incentives under the NZSPG and strong global audience demand for screen content. As described by one domestic industry stakeholder, the 2014 policies allowed the New Zealand screen sector to move from "very hit and miss" to "hiss and roar".

NZSPG – International: current fiscal pressures

15. The international component of the NZSPG is an uncapped, non-discretionary scheme that offers simplicity and certainty in the international marketplace. Considered 'mid-range' in comparison to other competing jurisdictions, the *NZSPG-International* is successfully attracting a range of international screen projects to be located in New Zealand.
16. However a higher than expected fiscal call on the *NZSPG-International* has resulted.

Section 9(2)(f)(iv)

Section 9(2)(h)

MBIE and Treasury are concerned about the level of fiscal risk associated with an uncapped scheme with few levers to maintain fiscal control, in light of the inability to quantify value for money with any certainty.

NZSPG – International: Section 9(2)(f)(iv)

	2017/18	2018/19	2019/20	2020/21	Total
Current MYA (\$m)	Section 9(2)(f)(iv)				
Actual and estimated* call on the grant (\$m)					
Budget bid (\$m)					

NZSPG – International: Future demand levels are unclear

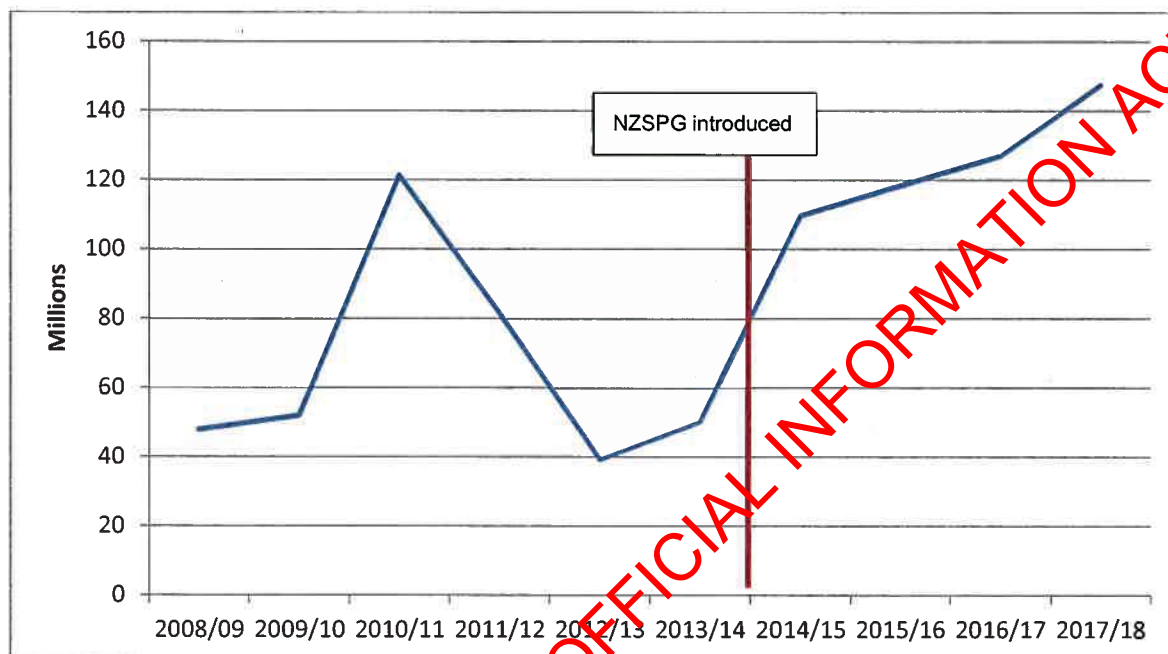
17. Based on current policy settings and projected levels of demand, the call on the international grant is broadly \$140 - \$145 million per year (equating to \$560 million over a four-year timeframe). Information from the New Zealand Film Commission suggests international demand will continue to track broadly at this level in the short term, in part due to a 'natural capacity cap' on available studio space in New Zealand. Industry contacts report significant pressure on sound studios and production facilities in Auckland and Wellington, although this

³ *Evaluating the New Zealand Screen Production Grant*, Sapere Research Group, June 2018 [refer also BR2018/229]

could in turn encourage businesses to establish new studios, raising the 'natural capacity cap'.

18. Future demand may be tempered by changes introduced to the *NZSPG-International* criteria in 2017, which introduced constraints on expenditure eligibility, reduced access to the 5 per cent uplift incentive, and implemented a sliding scale rebate rate for post-production, digital and visual effects activity (refer para 28). Due to the long lag times associated with production decisions, we expect the impacts of these changes are yet to be fully realised.

Government expenditure on international screen incentives, past ten years.



19. New Zealand also has indefinite contractual obligations in respect of sequels to *Avatar*, as a result of The *Avatar* Memorandum of Understanding (MoU) between the Crown, Lightstorm Entertainment Inc. (Lightstorm) and Twentieth Century Fox Film Corporation (20th Century Fox), signed on 16 December 2013 by the previous Ministers for Economic Development and Arts, Culture and Heritage.

20. Section 9(2)(g)(i)

There is no time or upper limit to the number of productions that it can cover (the MoU states that the intention is to make at least three films). Since its signing, Lightstorm has announced their plan to produce four new *Avatar* films (films two through five in the series). Section 9(2)(b)(ii)

Current estimates of qualifying expenditure (QNZPE) for films two and three are as follows:

	2017/18	2018/19	2019/20	2020/21	TOTAL
QNZPE (est) \$m	Section 9(2)(b)(ii)				
Grant (est) \$m at 25%					

21. Accurate forecasting of future demand on the *NZSPG-International* is complex, and demand could rise or fall. The sector remains vulnerable to externalities, and overall net costs are a critical factor for international studios, with exchange rates, labour costs, and changes in

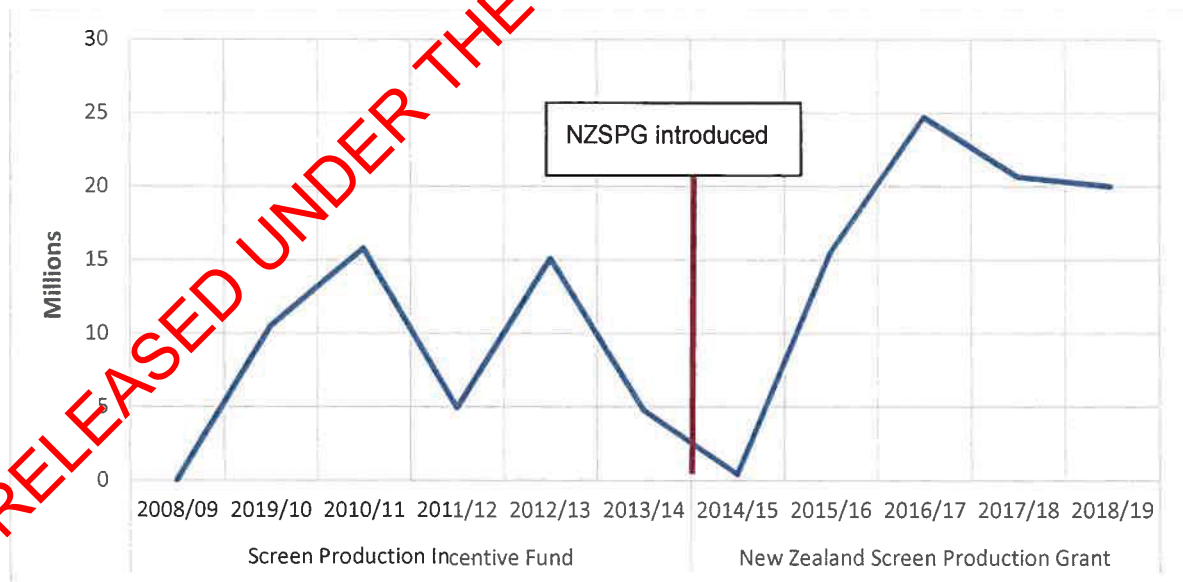
incentive schemes (here and overseas), all able to significantly impact New Zealand's attractiveness.

22. Feedback from industry suggests there is a 'tipping point' where New Zealand is either globally competitive or out of contention. Consequently the industry operates in an environment of either 'feast or famine', rather than a linear correlation existing between incentives and demand. Determining where that tipping point lies is highly challenging, particularly in a dynamic global market where other jurisdictions are also eager to raise their attractiveness to major studios. For example, Australia recently added an additional capped 16.5% location incentive grant to their offerings, and studio space capacity in competing jurisdictions such as the UK and the US is growing. [Further background on key competitor markets and headline incentive rates is provided in **Annex 1**.]
23. On balance, given the strong global demand for screen content and New Zealand's relative cost competitiveness and attractiveness as a production location, we estimate the call on the grant is more likely to rise rather than fall in the coming five years if policy settings remain unchanged.

NZSPG – New Zealand

24. The NZSPG – *New Zealand* faces similar issues due to a lack of levers to assert fiscal control. Since the introduction of the NZSPG in 2014, growth in the sector has been stronger than anticipated, and resisted the uneven peaks and troughs that characterised the 2008-2014 period, as indicated in the graph below.
25. However, it is a less urgent issue than for the NZSPG – *International*. So far, the NZSPG – *New Zealand*'s multi-year appropriation has required no new money, and further growth is constrained by the more limited availability of capital and other resources to New Zealand producers for new projects. Section 9(2)(f)(iv)

Government expenditure on domestic screen incentives



Note: 2018/2019 figures are provisional.

26. Moreover, the NZSPG – *New Zealand* already has some additional measures to improve fiscal control. There is a per-production payment cap of \$6 million. Any local project seeking to receive more than this amount must apply for the Additional Grant, itself capped at \$14 million (for a total of \$20 million) and faces additional requirements. Recipients must also share revenue with the Crown in proportion to the value of the Additional Grant. To date, no production has successfully applied for the Additional Grant.

27. However, it is important for the Government to maintain fiscal control, and additional sureties might be sought to control spending on the NZSPG – *New Zealand*. Similar options exist to constrain NZSPG – *New Zealand* spending as are available to control the NZSPG – *International*, including caps and lowering the incentive rate.

Policy options to reduce the fiscal call on the NZSPG-International

28. Since the establishment of the NZSPG-*International* in 2014 there have been several policy reviews to address the growth in demand and consequential fiscal pressures, and consideration of options to change the grant rebate rate and structure. Most recently, in February 2017, Ministers agreed to adopt three measures to help reduce demand that could be implemented relatively quickly, those being:

- a cap on certain personnel costs and the exclusion of certain costs from the grant rebate, such as wardrobe and props brought in from outside New Zealand;
- a sliding scale for post-production, digital and visual effects work - whereby the first \$25 million of expenditure receives a 20 per cent rebate, and thereafter at 18 per cent; and
- a strengthened threshold for the additional 5 per cent ('uplift') rebate for productions able to demonstrate a significant economic benefit to New Zealand.

29. Should Ministers wish to explore further measures to dampen demand on the grant, a range of options are set out below. There has been no robust analysis of these options at this time. Rather they are intended to illustrate potential policy avenues which, if so directed, could be explored by officials through wider consultation and analysis.

Section 9(2)(f)(iv)

30. An additional grant of 5 per cent (known as a '5% uplift') is available to international live-action productions that are able to demonstrate to a Verification Panel that they will deliver significant economic benefits for New Zealand. The grant is not intended to attract productions, but rather targets additional indirect benefits to the wider economy. Productions which are approved for the uplift enter into a formal agreement with the New Zealand Film Commission, and must meet agreed deliverables, to receive the additional 5 per cent rebate (in addition to the 20 per cent grant).
31. Since the introduction of the 5% uplift in April 2014, seven productions have been approved by the Significant Economic Benefits Verification Panel, as follows:

Production
<i>Power Rangers Dino Charge</i>
<i>Pete's Dragon</i>
<i>Ghost in the Shell</i>
<i>The Meg</i>
<i>Mortal Engines</i>
<i>Avatar sequels (2 and 3)*</i>

Section 9(2)(b)(ii)

* *Avatar* was approved for the 5% uplift prior to the Significant Economic Benefit test being introduced and operates under a specific MoU entered into at the time.

32. The recent evaluation of the NZSPG undertaken by Sapere Research Group (BR2018/229 refers) was inconclusive around whether the 5% uplift is achieving the benefits intended. The evaluation also identified a number of difficulties with the uplift, including the significant administrative burden (including for production studios) and the negative impression left for those productions which undertake the application process but are ultimately unsuccessful.
33. Since 2017, a production is only eligible to apply for the 5% uplift upon invitation. MBIE and the Film Commission have sole discretion to decide whether to issue an invitation, and are under no obligation to do so. At present there are no active 5% uplift applications.
- Section 9(2)(f)(iv)

Option B: Introduce changes to the grant rebate rate

34. The first of two options to introduce more significant changes to the NZSPG is a change to the grant rebate rate. This could be undertaken through several different mechanisms.

Options which were explored in 2016 include:

- creation of a '*sliding scale*' rebate structure for film and television of 20 per cent for the first \$25 million, and either 18 or 15 per cent thereafter;
 - introducing a *regional incentive*, by increasing the qualifying threshold for feature films from \$15 million to \$25 million in Auckland and Wellington, but keeping it unchanged elsewhere; and
 - *increasing the qualifying thresholds* for productions, from \$15 million to \$50 million for feature films, and \$4 million to \$25 million for television.
35. A *sliding scale* rebate for film and television would mean these productions would start at the existing base rebate rate of 20 per cent for the first \$25 million of qualifying expenditure, after which, the rebate rate would reduce to either 18 or 15 per cent. Such a change would aid fiscal control and reduce grant costs, but would reduce the attractiveness and competitiveness of the grant for larger productions. When this option was considered in 2016, savings were estimated to be in the range of \$7 - \$12 million per annum.
36. A *regional incentive* would increase the qualifying threshold by \$10 million for feature films based in Auckland and Wellington. The aim would be to aid fiscal control, reduce demand on the grant, and support regional development. However this option was not deemed viable in 2016 due to the modest fiscal impact anticipated by a \$10 million threshold rise, and the limited capacity of the regions to satisfy the requirements of feature films with budgets between \$15 - \$25 million. Section 9(2)(g)(i)
37. Raising qualifying thresholds for film (to \$50 million) and television (to \$25 million) was also not recommended in 2016 as the majority of international productions would be unaffected by the change. Most film productions applying for the NZSPG-International have local expenditure in excess of \$50 million, and similarly most international television productions have budgets above \$25 million. Furthermore, the change might actually serve as a disincentive to smaller productions, which New Zealand is currently trying to attract (in order to diversify our production mix and even out lumpy production cycles).
38. In light of the analysis undertaken in 2016, officials caution that tweaks to the rebate rate are unlikely to reduce expenditure significantly. That said, Ministers may wish to direct officials to

⁴ PDV: postproduction, digital and visual effects

investigate the impact of more significant shifts in the grant rate and eligibility thresholds. This would need to be carefully undertaken in consultation with industry and key stakeholders, given the risks to tipping New Zealand outside of international consideration as a production destination.

Option C: Introduce caps on expenditure

39. The most dramatic shift contemplated has been to introduce caps on either the annual level of funding available through the grant, or the quantum of funding any one production may receive. This represents a significant policy shift, as the NZSPG has always been marketed as an uncapped incentive.
40. A cap per production would introduce a level of fiscal control while maintaining the simplicity of the grant regime. A per production rebate payment cap of \$10 million per production was floated in 2016. From MBIE's perspective this would likely impact the attractiveness of New Zealand to host larger productions such as *The Hobbit* trilogy and *Ghost in the Shell*. Furthermore it could encourage studios to take un-incentivised portions of their productions elsewhere. The Film Commission also considered this option would lead New Zealand to 'slip below the bar' of consideration internationally. However further exploration of this option was recommended by Treasury, which estimated at the time (from preliminary data) that this option could generate savings of \$17 million per annum.
41. Alternatively, the grant could be capped as a whole. Having set a total amount available per year under the grant, this could be administered either on a 'first come, first served' basis or via scheduled funding rounds. A capped grant would create fiscal control and certainty. Some other jurisdictions, such as California, and New York currently operate annual funding caps. The size of a grant cap would determine the extent to which issues would arise, such as:
- limiting potential export earnings from international productions;
 - increasing uncertainty for applicants, due to perceived barriers (such as funding rounds);
 - accentuating peaks and troughs of production activity, rather than a regular, diverse pipeline of production; and
 - perceptions that New Zealand is no longer 'open for business'.
42. Recent industry feedback indicates the introduction of a per production or a total grant cap would not be favourably received. Again, careful consultation with stakeholders would be required, due to the implications for international markets and local business confidence.

Other considerations

43. Should Ministers wish officials to explore changes to the *NZSPG-International* to dampen and better control fiscal demands, officials recommend this analysis also includes examination of the *NZSPG-New Zealand*, given the interplay across industry of the two NZSPG components.

44. Section 9(2)(f)(iv)

Next steps

50. We recommend relevant Ministers meet with officials to discuss the issues raised in this briefing, and determine how to proceed on the meeting scheduled for 11 September 2018.

Annexes

Annex One: Key competitor markets

Annex One: Key competitor markets

For context, this Annex provides an overview of recent changes in Australia's screen incentive scheme, and current headline incentive offerings in some of New Zealand's key competitor markets.

Recent changes to the Australian Screen Production Incentive

A series of recent reviews of the Australian Screen Production Incentive has led to the introduction of a new 13.5 per cent 'location incentive' grant for large budget international film and television productions.

Awarding of the grant is subject to an application and negotiation process, and will be awarded to productions able to demonstrate positive economic benefit. The grant is discretionary, but decisions on eligibility will be made quickly (in less than eight weeks). Federal expenditure under the new grant is capped at A\$140 million over four years from 2019-2020, and will be awarded on a 'first come, first served' basis.

A successful large international production could therefore be awarded a 13.5 per cent location incentive in addition to the (non-discretionary) 16.5 per cent location offset tax rebate, and thus recover 30 per cent of their Australian production costs.

From 2019, the suite of available incentives available in Australia will be as follows:

Producer offset tax rebate	40%	for eligible Australian films, tv and other projects (domestic)
	20%	for productions with significant Australian content
Location offset tax rebate	16.5%	for large budget film and tv productions located in Australia (subject to eligibility criteria, such as production budget minimums).
Location incentive grant (NEW)	13.5% capped	for large budget international film and tv productions able to demonstrate economic benefit (subject to approval, and capped at A\$140m over four years).
PDV offset tax rebate	30%	for PDV work in Australia, regardless of where a project is shot.
State level incentives	Varies	Operate in addition to federal level incentives, to attract productions to a particular state. Negotiated on a case by case basis, with details usually subject to confidential negotiations between the international studio and the state. For example, Queensland operates an A\$50m Production Attraction Strategy.

Comparisons between Australian and New Zealand incentive offerings were recently made in a report on Australian film and television incentives by Olsberg consultants⁷.

That report noted that New Zealand was "at a comparable distance from the US to Australia, and inevitably projects which consider one will consider the other. While New Zealand's headline incentive is not especially generous by international standards, it has a lower cost base and lower fringes compared to Australia, and also allows incentive spending on both physical and digital production within a single project. With strong crews and a world-class digital production offer, this makes New Zealand a significant competitor, and often allows it to win projects which Australia should be in a better position for".

⁷ *Impact of Film and TV Incentives in Australia*. A Report for the Australian Screen Association by Olsbert – SPI, 12 March 2018.

Other key competitor markets

A number of factors contribute to an international studio's decision on where to locate production activity. In most cases, the script dictates the setting, with several locations taken into consideration. Where there is not a compelling preferred choice (driven by the script, the availability of studio space, or any talent with sufficient power to influence location), the decision becomes one of cost⁸.

Comparisons of headline incentive offerings figure early in any calculation of production costs, although exchange rates, labour rates, cost of living, and several other qualitative factors, are taken into consideration. Therefore while incentive rates are significant, they need to be viewed in light of overall costs and other influences.

The table below summarises the headline incentive offerings in New Zealand's key competitor markets⁹, but does not purport to reflect the relative cost of production activity.

Country	Rate of incentive	Requirements	Cap
New Zealand	20% + 5% uplift 20 -18% PDV	Minimum spend NZ\$15m (film), NZ\$4m (tv), NZ\$0.5m (PDV ¹⁰) By invitation, productions may apply for a 5% uplift. Sliding scale applies to PDV, with first \$25M at 20%, and thereafter 18%.	No cap
Australia	16.5% + 13.5% uplift 30% for PDV	Minimum spend A\$15m (film) and A\$1m per screen hour (tv), A\$0.5m (PDV)	13.5% economic development uplift capped at A\$140 over 4 years.
British Columbia (Canada)	28% basic + 6% regional + 6% distant + 16% PDV	Minimum spend C\$100,000 – 200,000 (tv, per episode), C\$1m film. ¹¹	No cap
California (US)	20 – 25%	Outcome-based ranking system, with different tranches of funding for, i.e., tv pilots and tv shows relocating production to California	US\$25m non-indie and US\$2.5m indie per project cap. Funding cap of US\$330m per fiscal year.
Georgia (US)	20% + 10% 20% PDV	10% uplift for including Georgia promotional logo. Production companies must spend US\$0.5m per year to maintain eligibility.	No cap Total PDV capped at US\$5M per year
Hungary	25% + 5%	Cultural test applies. Expenses incurred abroad can also qualify for a 25% rebate.	No cap
Ireland	32%	Cultural test applies. Only 80% of expenditure can receive the tax rebate. Minimum spend €0.25m.	€70m per project

⁸ Drawn from *A Comparison of the Production Costs of Feature Films Shot in Ten Locations Around the World – A Report for the Office of the British Film Commissioner*, September 2008, Olsberg - SPI

⁹ Information drawn from official websites and online global screen incentive comparison tools.

¹⁰ PDV : postproduction, digital and visual effects

¹¹ British Columbia tax credit program offers four distinct labour based tax credits, which may be combined. Two categories relate to filming outside Vancouver (min 5 days in a regional location, or min 1 day if in a distant location). Qualifying expenditure is limited to labour costs and payments for services.

New York (US)	30% + 10% uplift 30 – 35% (postproduction) 20% (visual effects and animation)	10% regional uplift for labour costs for services performed in specified upstate counties (if production budget > US\$0.5m)	US\$395m per year US\$25m per year (postproduction)
Ontario (Canada)	21.5% goods and services, and 35% of labour 18% of labour for animation and special effects	Production company must be Ontario based, Minimum spend C\$100,000 – 200,000 (tv, per episode), C\$1m film. Credits may be combined (ie 39.5% for labour directly involved in a filmed scene involving special effects eg green screen)	No cap
South Africa	20% + 2.5 - 5%	Minimum spend R12m (approx. NZ\$1.3m) for film and tv, plus an additional 2.5 – 5% post-production	Per production, capped at R250m (approx. NZ\$5.7m)
United Kingdom	25%	Cultural test applies, unless a co- production. 10% of overall spend must be in the UK. Minimum spend GBP1m per broadcast hour (tv). Only 80% of expenditure can receive the rebate.	No cap

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AIDE MEMOIRE

Meeting with Sir Peter Jackson and Fran Walsh

Date:	14 August 2018	Priority:	High
Security classification:	In Confidence	Tracking number:	0606 18-19

Information for Minister(s)

Rt Hon Jacinda Ardern
Prime Minister and Minister for Arts, Culture and Heritage

Hon David Parker
Minister for Portfolio Economic Development

Contact for telephone discussion (if required)

Name	Position	Telephone	1st contact
Robyn Henderson	Manager, Sectors	04 901 1305	✓
Cecilia Warren	Senior Advisor, Sectors	04 987 5024	

The following departments/agencies have been consulted

Minister's office to complete:

☐ Approved

☐ Noted

☐ Seen

☐ See Minister's Notes

☐ Declined

☐ Needs change

☐ Overtaken by Events

☐ Withdrawn

Comments



AIDE MEMOIRE

Meeting with Sir Peter Jackson and Fran Walsh

Date:	14 August 2018	Priority:	High
Security classification:	In Confidence	Tracking number:	0606 18-19

Purpose

The purpose of this note is to support your side meeting with Sir Peter Jackson and Fran Walsh at the NZ Story event at Park Road Post on 15 August 2018. Section 9(2)(g)(i)

Robyn Henderson
Manager, Sectors
Labour, Science and Enterprise, MBIE

..... / /

New Zealand Screen Production Grant (NZSPG)

1. Section 9(2)(g)(i)
2. This coverage related to the recent release of an evaluation of the NZSPG, undertaken by Sapere Research Group on behalf of the Ministry of Business, Innovation and Employment and the Ministry for Culture and Heritage, completed in early 2018.
3. The key messages from this work are:
 - a. The NZSPG generates additional screen activity and creates a range of economic activity in New Zealand
 - b. The screen sector generates spillover benefits in other sectors e.g. tourism and the tech sectors
 - c. The screen sector is growing but is not sustainable without the grant, and
 - d. Existence value and public support value for New Zealand screen content is significant.
4. It is difficult to calculate the counterfactual of the grant (i.e. what would have happened in the economy if the grant did not exist). As this is needed to determine whether the grant is delivering a *net* economic impact, we are not able to definitively confirm that the grant is delivering sufficient value to justify its use – on an economic basis (acknowledging that there are cultural benefits arising from the grant and that there are economic spillovers that are not easily quantified).

5. Alongside this, our spend on the NZSPG is steadily increasing:

Year	2014/15	2015/16	2016/17	2017/18
Amount	\$108 million	\$118 million	\$127 million	\$147 million

6. Some changes were made to the NZSPG (effective 1 July 2017) which were designed to moderate the call on the grant by approximately 10 per cent. These included introducing a sliding scale for the post, digital and visual effects (PDV) component of the grant (the standard 20 per cent applies for the first \$25 million of qualifying expenditure and drops to 18 per cent for expenditure beyond that). [Section 9\(2\)\(ba\)\(i\)](#)
7. **No decisions on the future of the NZSPG have been made.** We are preparing a paper to support a meeting of interested Ministers in coming weeks on options for the future of the NZSPG (e.g. status quo, through to capping the total size). We see this as a vital step to inform the parameters of a longer term industry-led strategy process as envisaged by the Prime Minister.
8. It is important that there is clarity for the industry on the scope of future policy decisions on the grant given that it is such a fundamental factor for the industry's growth prospects.
9. [Section 9\(2\)\(f\)\(iv\)](#)

However, this forecast assumes that existing infrastructure will remain constant. Given current interest in New Zealand as a screen production location, we cannot guarantee that additional sound stages wouldn't develop via private investment. In this situation, we would expect the call on the grant to increase further under existing policy settings.

10. [Section 9\(2\)\(g\)\(i\)](#)

He may highlight Australia's recent announcement of an increased 30 per cent rebate rate for international productions. We note that this increase has a financial limit of \$35 million per annum.

Mortal Engines

11. Sir Peter's current screen project is Mortal Engines, which is in the final stages of post-production with a December 2018 release date. This production was predominately made in New Zealand with a budget of [Section 9\(2\)\(b\)\(ii\)](#). It will receive a grant of [Section 9\(2\)\(b\)\(ii\)](#) - at 25 per cent. The production qualified for the '5 per cent uplift' meeting the significant economic benefits test. A key company of this involved using behind the scenes footage and access to personnel to market New Zealand as an education destination for international students interested in creative arts and technology.

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT



BRIEFING

Visit to the Weta Group, 23 August 2018

Date:	20 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0674 18-19

Action sought		
	Action sought	Deadline
Hon David Parker Minister for Economic Development	Note the background information for your visit to the Weta Group on 23 August 2018.	23 August 2018
Hon Grant Robertson Minister of Finance	Note the background information for your visit to the Weta Group on 23 August 2018.	23 August 2018
Hon Clare Curran Minister for Broadcasting, Communications and Digital Media	For information only	N/A
Hon Kris Faafoi Minister of Commerce and Consumer Affairs	Note the background information for your visit to the Weta Group on 23 August 2018.	23 August 2018

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Robyn Henderson	Manager, Sectors	04 901 1305	Section 9(2)(a) ✓
Cecilia Warren	Senior Advisor, Sectors	04 987 5024	

The following departments/agencies have been consulted

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

BRIEFING

Visit to the Weta Group, 23 August 2018

Date:	20 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0674 18-19

Purpose

You are visiting the Weta Group facilities on 23 August 2018. This note provides background information and key messages on current topics that are likely to be of interest to the Weta Group.

Recommendations

The Ministry of Business, Innovation and Employment recommends that you:

Note the background information and key messages for your visit to the Weta Group on Thursday 23 August 2018.

Noted

Section 9(2)(a)

Robyn Henderson
Manager, Sectors
Tourism and Economic Development Branch

2018/2018

Background

1. You are visiting the Weta Group of Companies (the Weta Group) following an invitation offered by the Group when they met with Minister Parker in May this year. Key messages for the visit are in Annex One. Background information on the Weta Group of Companies is in Annex Two. While the Weta Group is often talked about as Weta Workshop or Weta Digital, there is a group of companies offering different screen services with intertwined shareholdings.

Government support provided to Weta

2. Weta Group companies Weta Workshop, Weta Digital and Park Road Post have all received grants through the New Zealand Screen Production Grant (NZSPG). This has totalled \$411.6 million since 2015/16 and can be broken down into:
 - \$109.5 million relating to Weta Digital
 - \$1.4 million relating to Weta Workshop
 - \$0.7 million relating to Park Road Post
3. Details of grants received by the Weta Group are attached as Annex Three. These figures don't include current work underway for *Mortal Engines* and *Avatar*, pending applications from the relevant production companies (refer paras 20-25 below). Section 9(2)(g)(i)
4. The way the NZSPG criteria operate means that the applicant for the grant is the international production studio, rather than the New Zealand companies undertaking the service themselves. Therefore the New Zealand Film Commission will receive an application from the studio with an invoice from the companies as a supplier of services to the production.
5. Out of scope

Role of the New Zealand Screen Production Grant

6. Section 9(2)(g)(i)

While Weta has a very strong global brand and reputation, it still considers that it is vital that New Zealand is able to offer an incentive in order to attract international work.
7. The NZSPG criteria were tightened in 2017 to respond to increasing fiscal pressure on the grant. This included introducing a sliding scale for post, digital and visual effects (PDV) work (the core business of Weta Digital). This means that the first \$25 million of qualifying New Zealand production expenditure (QNZPE) now attracts a 20 per cent grant, while QNZPE over that amount attracts a rebate of 18 per cent.
8. The impact of this change is still yet to be seen. Initial feedback from the industry was that this would result in contracts being capped at \$25 million, with the work over and above that level going to a different jurisdiction. Sections 9(2)(ba)(i) and 9(2)(g)(i)
9. Previous changes made in 2015 to the NZSPG – International PDV criteria benefited the Weta Group. In particular the threshold was lowered to \$500,000 QNZPE (from \$1 million) which has enabled Weta Workshop to attract a number of smaller projects, (along with other smaller digital effects companies outside of Weta). Changes were also introduced to allow physical

effects that are integral to making visual effects to the list of eligible PDV activities. This allowed Weta Workshop to attract work on this nature which had previously been ineligible.

10. The NZSPG has two components; the *NZSPG – International* with economic and industry development objectives, and the *NZSPG – New Zealand* with cultural and industry development objectives. There is an important link between the two components: international productions offer skill development and budgets for investment and innovation, while domestic productions offer a more reliable pipeline of work. The international industry allows local workers to develop skills through the experience of working with experts which they can then apply to local productions.
11. Sections 9(2)(b)(ii) and 9(2)(ba)(i)

Evaluation of the NZSPG and next steps

12. An evaluation of the NZSPG was released in June this year. Sapere Research Group were commissioned to undertake the evaluation, and found that overall:
- the NZSPG generates additional screen activity and creates a range of economic activity in New Zealand
 - the screen sector generates spillover benefits in other sectors e.g. the technology sector, and tourism
 - the screen sector is growing but is not sustainable without the grant, and
 - existence value and public support value for New Zealand screen content is significant.
13. The Weta Group was a key stakeholder in the evaluation and contributed positively to this process, given that they see the NZSPG as a fundamental requirement for them to remain competitive internationally. The evaluation discusses the role of Weta in attracting talent to New Zealand, some of whom have gone on to create new technology businesses. The evaluation notes that "Wellington is seen as the hub for technology businesses in New Zealand and this appears to be strongly linked with the presence of the Weta Group".
14. However, as per our previous briefings on this, it is difficult to calculate the counterfactual of the grant (i.e. what would have happened in the economy if the grant did not exist). As this is needed to determine whether the grant is delivering a net economic impact, we are not able to definitively confirm that the grant is delivering sufficient value to justify its use - on an economic basis (acknowledging that there are cultural benefits arising from the grant and that there are economic spillovers that are not easily quantified).
15. Alongside this, our spend on the NZSPG is steadily increasing:

Year	2014/15	2015/16	2016/17	2017/18
Amount	\$108 million	\$118 million	\$127 million	\$147 million

16. **No decisions on the future of the NZSPG have been made.** We are preparing a paper to support a meeting of interested Ministers in coming weeks on options for the future of the NZSPG (e.g. status quo, through to capping the total size). We see this as a vital step to inform the parameters of a longer term industry-led strategy process as envisaged by the Prime Minister (refer para 26 below).
17. It is important that there is clarity for the industry on the scope of future policy decisions on the grant given that it is such a fundamental factor for the industry's growth prospects.

18. Section 9(2)(f)(iv)

However, this forecast assumes that existing infrastructure will remain constant. Given current interest in New Zealand as a screen production location, we cannot guarantee that additional sound stages wouldn't develop via private investment. In this situation, we would expect the call on the grant to increase further under existing policy settings.

19. The industry has noted comments around the possibility of caps being introduced to the grant.
Section 9(2)(g)(i)

Mortal Engines

20. Sir Peter Jackson's current screen project is *Mortal Engines*, which is in the final stages of post-production with a December 2018 release date. This production was predominately made in New Zealand Section 9(2)(b)(ii)

The production qualified for the '5 per cent uplift' meeting the significant economic benefits test. A key component of this involved using behind-the-scenes footage and access to personnel (cast/crew) to market New Zealand as an education destination for international students interested in creative arts and technology.

Avatar sequels

21. Weta Digital also Section 9(2)(b)(ii) underway on the *Avatar* sequels.

22. The *Avatar* Memorandum of Understanding (MoU) between the Crown, Lightstorm Entertainment Inc. (Lightstorm) and Twentieth Century Fox Film Corporation (20th Century Fox) was signed on 16 December 2013 by the previous Ministers for Economic Development and Arts, Culture and Heritage.

23. The *Avatar* MoU focuses on the activities that Lightstorm and 20th Century Fox will undertake to qualify for the additional 5 per cent rebate on the new *Avatar* films i.e. a 25 per cent total rebate on qualifying New Zealand production expenditure (QNZPE).

24. There is no time or upper limit to the number of productions included in the *Avatar* MoU (the MoU states that the intention is to make at least three films). Since its signing, Lightstorm has announced their plan to produce four new *Avatar* films (films two through five in the series).
Section 9(2)(b)(ii)

25. The current estimates of the QNZPE for films two and three are as follows:

	2017/18	2018/19	2019/20	2020/21	TOTAL
QNZPE (est)	Section 9(2)(b)(ii)				
Grant (est) at 25%					

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Annexes

Annex One: Key messages

out of scope

Annex Three: NZSPG – international, Out of scope

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Annex One: Key messages

- The New Zealand Screen Production Grant has been very successful since it was introduced, and New Zealand now has a vibrant and busy screen sector, with increasing employment and a greater range of screen projects.
- The government is investing a considerable amount of support to the screen sector. The call on the NZSPG has been steadily increasing since 2014/15, and is now over \$140 million per annum. This is significant on an individual sector basis.
- Changes to the NZSPG criteria were introduced in 2017 and we understand that we are yet to see the impact of these, given the lag time in production scheduling.
- Ministers have an open mind to the range of options – from the status quo to potentially capping the grant in some way.
- No decisions have been made. The government appreciates that certainty is important to the industry and that uncertainty can be chilling for the international studios who chose to consider New Zealand as a screen production destination.
- We understand also that capping the grant will have significant impacts in the sector.

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Annex Three: NZSPG and ^{Out of scope}

Weta Digital – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio) ¹	Grant to service provider (approx.)
Section 9(2)(b)(ii)				
			Total	109,505,376

Weta Workshop – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio)	Grant to service provider (approx.)
Section 9(2)(b)(ii)				
			Total	1,406,479

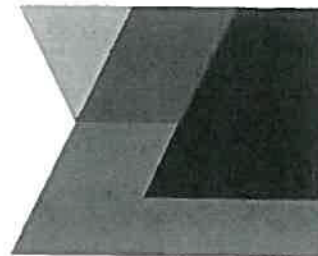
Park Road Post – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio)	Grant to service provider (approx.)
Section 9(2)(b)(ii)				
			Total	703,352

¹ Refer para 17 – the international studio engaging the NZ supplier receives the grant – the amount that is ultimately paid to the service provider (in this case Weta) is in the right hand column.

Out of scope

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Economic Development Weekly Report

Week ending:	3 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0422 18-19

Recipient	Action sought
Hon David Parker Minister for Economic Development	Note the contents of this Weekly Report

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

Hon David Parker
Minister for Economic Development

3, 8, 2018

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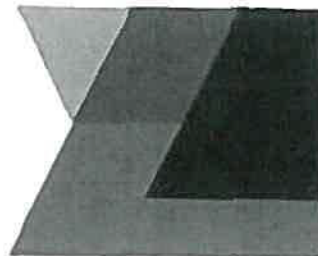
Minister's comments:

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Out of scope					
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPS should be capped	17 Aug 18	24 Aug 18	Scoping	Robyn Henderson

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	10 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0535 18-19

Recipient	Action sought
Hon David Parker Minister for Economic Development	Note the contents of this Weekly Report

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

10, 8, 2018
..... / /

Hon David Parker
Minister for Economic Development

..... / /

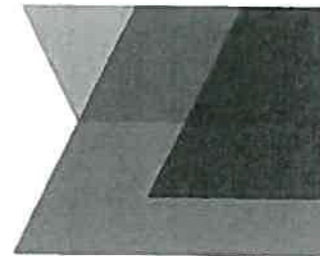
Minister's comments:

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Out of scope					
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Aug 18	24 Aug 18	Scoping	Robyn Henderson
Out of scope					

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	17 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0595 18-19
Recipient		Action sought	
Hon David Parker Minister for Economic Development		Note the contents of this Weekly Report	

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

17, 18, 2018

Hon David Parker
Minister for Economic Development

..... / /

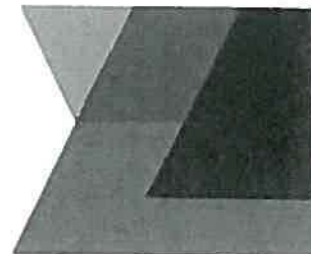
Minister's comments:

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Out of scope					
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	14 Sep 18	21 Sep 18	Review	Robyn Henderson
Out of scope					

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	24 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0703 18-19
Recipient		Action sought	
Hon David Parker Minister for Economic Development		Note the contents of this Weekly Report	

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

24, 8, 2018

Hon David Parker
Minister for Economic Development

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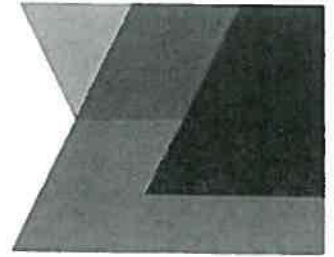
Minister's comments:

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Out of scope					
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Sep 18	21 Sep 18	Review	Robyn Henderson
Out of scope					

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	31 August 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0813 18-19
Recipient		Action sought	
Hon David Parker Minister for Economic Development		Note the contents of this Weekly Report	

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

31, 8, 2018
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Hon David Parker
Minister for Economic Development

..... / /

Minister's comments:

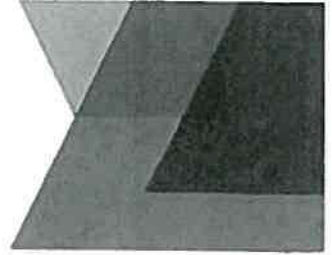
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Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Sep 18	21 Sep 18	Review	Robyn Henderson

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	7 September 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0886 18-19

Recipient	Action sought
Hon David Parker Minister for Economic Development	Note the contents of this Weekly Report

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

7, 9, 18
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Hon David Parker
Minister for Economic Development

..... / /

Minister's comments:

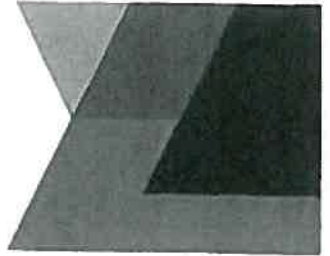
RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Matt Nippert - NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Sep 18	21 Sep 18	Review	Robyn Henderson

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	14 September 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0976 18-19
Recipient		Action sought	
Hon David Parker Minister for Economic Development		Note the contents of this Weekly Report	

Section 9(2)(a)

Kristina Wickham
Director Group Operations
Labour, Science and Enterprise

14, 9, 2018

Hon David Parker
Minister for Economic Development

.... / /

Minister's comments:

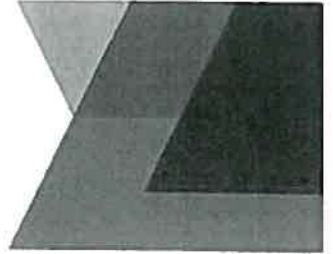
RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Matt Nippert – NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Sep 18	21 Sep 18	Review	Robyn Henderson

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT



Economic Development Weekly Report

Week ending:	21 September 2018	Priority:	Medium
Security classification:	In Confidence	Tracking number:	1095 18-19
Recipient		Action sought	
Hon David Parker Minister for Economic Development		Note the contents of this Weekly Report	

Section 9(2)(a)

Shilpi Sharma
Acting Director Group Operations
Labour, Science and Enterprise

20 / 9 / 18

Hon David Parker
Minister for Economic Development

..... / /

Minister's comments:

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Departmental Official Information Act Requests

Requestor's Name	Tracking number and Request	Due to Minister	Due to Requestor	Status	Sign Out Manager
Matt Nippert – NZ Herald	1819-0136 Advice given to officials re whether spending on SPG should be capped	17 Sep 18	21 Sep 18	Minister's Office - Consult	Robyn Henderson

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Cecilia Warren

From: Filmcrews <mail@filmcrews.co.nz>
Sent: Thursday, 20 September 2018 4:37 p.m.
To: Cecilia Warren
Subject: RE: Re Official information request [UNCLASSIFIED]

The only comment I would make, is that I am the owner/operator of Filmcrews Section 9(2)(b)(ii), so if you are leaving the name of my company in the information released, there is no point in withholding my name. But, I'll leave that up to your discretion of course.
Sioux

Filmcrews Ltd & Crew Auckland

Ph +64-9-6321032

www.filmcrews.co.nz & www.crewauckland.co.nz

Filmcrews book freelance film crew in New Zealand in accordance with the 2017 BLUE BOOK, the Code of Practice for the Engagement of Crew. For a copy, please contact the Screen Industry Guild Aotearoa NZ on +64 9 8899522 *From anywhere in NZ – ALWAYS DIAL (09)**

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From: Cecilia Warren <Cecilia.Warren@mbie.govt.nz>
Sent: Thursday, September 20, 2018 4:33 PM
To: Filmcrews <mail@filmcrews.co.nz>
Subject: RE: Re Official information request [UNCLASSIFIED]

Thanks very much Sioux – we felt the same but I am pleased to have heard that from you. Many thanks and kind regards, Cecilia

From: Filmcrews [<mailto:mail@filmcrews.co.nz>]
Sent: Thursday, 20 September 2018 4:32 p.m.
To: Cecilia Warren
Subject: RE: Re Official information request [UNCLASSIFIED]

Hi Cecilia

I am completely comfortable with that information/email thread being released. There is nothing in there that I feel uneasy about being made public.

Thank you for giving me the heads-up.

Kind regards,

Sioux MacDonald

Filmcrews Ltd & Crew Auckland

Ph +64-9-6321032

www.filmcrews.co.nz & www.crewauckland.co.nz

Filmcrews book freelance film crew in New Zealand in accordance with the 2017 BLUE BOOK, the Code of Practice for the Engagement of Crew. For a copy, please contact the Screen Industry Guild Aotearoa NZ on +64 9 8899522 *From anywhere in NZ – ALWAYS DIAL (09)**

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From: Cecilia Warren <Cecilia.Warren@mbie.govt.nz>
Sent: Thursday, September 20, 2018 4:15 PM
To: Filmcrews <mail@filmcrews.co.nz>
Subject: Re Official information request [UNCLASSIFIED]

Dear Sioux

It was nice to meet you yesterday at the commercial operators workshop, and I hear from others that it was a useful day.

I wanted to get in touch to let you know that an earlier email exchange you had with MBIE has fallen within the scope of an Official Information Act request and is required to be provided to the requestor. The email exchange is attached.

As this is a standard enquiry and contains no material which would fall under grounds for withholding it is being released in full, however we are withholding your name from all parts of the email exchange (ie the author of the email is not being released). The names of officials, and that the email came from Filmcrews Ltd & Crew Auckland, are required to be released under the Act.

I should make clear that the scope of the OIA request was not specific to you or your company, but related to a broader request for correspondence with the Ministry.

Feel free to contact me if you have any questions.

Kind regards,
Cecilia

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 857 5024

15 Stout Street, PO Box 1473, Wellington 6011, New Zealand



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Cecilia Warren

From: Cecilia Warren
Sent: Monday, 1 October 2018 8:35 a.m.
To: Robyn Henderson
Subject: Weekly tasks for Cecilia 1 Oct [IN-CONFIDENCE]

Hi Robyn

As you will be busy today here is an overview of my week ahead. A couple of things to flag with you:

- lets have a chat about Matt Nippert and how to respond to his follow up request (Sections 9(2)(g)(i) and 9(2)(g)(ii))
- Out of scope
-
-

Thanks,
Cecilia

WEEKLY TASKS

TASK	DEADLINE
Matt Nippert - respond re request for additional detail Out of scope	1 Oct

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Cecilia Warren

From: Cecilia Warren
Sent: Wednesday, 19 September 2018 3:10 p.m.
To: Robyn Henderson
Subject: Weekly tasks for Cecilia [IN-CONFIDENCE]
Attachments: DOIA 1819-0136 Documentation clean (marked up).pdf; DOIA 1819-0136 Proposed letter of response to Matt Nippert.docx

Hi Robyn –

Out of scope

(ii) Are you happy with the DOIA for Matt Nippert? Section 9(2)(g)(i)

Thanks,
Cecilia

WEEKLY TASKS

TASK	DEADLINE
DOIA Matt Nippert	20 Sept for distribution
<ul style="list-style-type: none">- Awaiting feedback from MO- Alert Treasury, Weta, Film Crews, MCH, NZFC	

Out of scope

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Cecilia Warren

From: Cecilia Warren
Sent: Tuesday, 31 July 2018 5:50 p.m.
To: Robyn Henderson
Subject: Weekly tasks (Cecilia) [UNCLASSIFIED]

Hi Robyn

Out of scope

Cheers,
Cecilia

TASK	DEADLINE
Out of scope	
OIA from Matt Nisbett - Section 9(2)(g)(i)	17 Aug (due in Minister's office)
Out of scope	

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

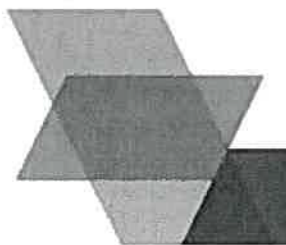
Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5024 **Section 9(2)(a)**

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RELEASED UNDER THE OFFICIAL INFORMATION ACT

Cecilia Warren

From: Matt Nippert <Matt.Nippert@nzme.co.nz>
Sent: Monday, 1 October 2018 6:42 p.m.
To: Cecilia Warren
Subject: Re: Response to request for reconsideration of OIA papers [UNCLASSIFIED]

Aggregated grant-backed spending by a company will not prejudice their commercial position - you've already decided that in releasing that very information in Annex 2.

And raw dollar values without accompanying time and date information makes what you've released useless from a public interest standpoint: They mean nothing without context. Even politicians on the campaign trail can't get away with releasing financial information like this.

I will be proceeding with a story for Wednesday's paper based on my reading of the documents released that the aggregated grants cover the 15/16 and 16/17 financial years.

I'd also like to signal that - in the absence of vital chronological context - my previously discussed complaint the the ombudsman is back on the table.

Happy to talk tomorrow on the phone.

Cheers,
Matt

Get Outlook for iOS

On Mon, Oct 1, 2018 at 6:21 PM +1300, "Cecilia Warren" <Cecilia.Warren@mbie.govt.nz> wrote:

Dear Mr Nippert

I would caution you against any assumptions over the time period or dates involved, given you do not have access to these details and you risk incorrectly reporting the situation.

As earlier advised, dates and timeframe information have been redacted under the following grounds of the Act: Section 9(2)(b)(ii) as withholding of the information is necessary to "*protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information*".

We will not be providing any supplementary information on the timeframe across which the Annex applies.

Kind regards,
Cecilia Warren

From: Matt Nippert [mailto:Matt.Nippert@nzme.co.nz]
Sent: Monday, 1 October 2018 4:21 p.m.
To: Cecilia Warren
Subject: RE: Response to request for reconsideration of OIA papers [UNCLASSIFIED]

Given in the main body of the briefing there's a reference "This has totalled [REDACTED] since 2015/16", I'm planning to proceed on the basis it's for a two year period (given the report was prepared prior to the conclusion of the 17/18 year).

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Monday, 1 October 2018 4:17 p.m.
To: Matt Nippert
Subject: RE: Response to request for reconsideration of OIA papers [UNCLASSIFIED]

Dear Mr Nippert

We have redacted dates and timeframe information from the Annex under the grounds we have previously outlined. I am however willing to advise that your assumption of the time period involved is incorrect.

Kind regards,
Cecilia Warren

From: Matt Nippert [mailto:Matt.Nippert@nzme.co.nz]
Sent: Friday, 28 September 2018 3:10 p.m.
To: Cecilia Warren
Subject: RE: Response to request for reconsideration of OIA papers [UNCLASSIFIED]

Cecilia,

Thanks for handling this. I'd obviously love to peek behind every redaction, but am reasonably happy with this result and won't take my complaint any further.

Could you please confirm the timeframe these figures cover? (I'm presuming the three years SPG has been operating 2014-17, but want to confirm this).

Given the late time of the day, I'll have to carve this material out for reporting next week.

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Friday, 28 September 2018 3:06 p.m.
To: Matt Nippert; Matt Nippert
Subject: Response to request for reconsideration of OIA papers [UNCLASSIFIED]

Dear Mr Nippert

As requested we have reconsidered our earlier redaction of *Annex 2 of the May 4, 2018 Briefing: Introductory meeting with Weta Group*. While we still have concerns about the impact of releasing the full Annex, we have reconsidered what information we may be able to release that would not unreasonably prejudice the commercial position of third parties. That has required further consultation and I now attach a revised Annex with additional released material. Some information remains withheld under the following grounds of the Act:

- Section 9(2)(b)(ii) as withholding of the information is necessary to “*protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information*”.

Our previous reference to Section 9(2)(ba)(i) was an administrative error and we apologise for that.

The redactions protect information that if released could reveal Weta Group pricing on individual productions and pricing strategy. For clarity, I do wish to underline that Weta is not a NZSPG grant recipient. As the Annex notes, the international studio engaging the NZ supplier receives the grant. The total amount ultimately paid to the service provider (in this case Weta) for contracted services across multiple productions is what is reflected in the right hand column.

Kind regards,
Cecilia Warren

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5024 | [Section 9\(2\)\(a\)](#)

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Cecilia Warren

From: Matt Nippert <Matt.Nippert@nzme.co.nz>
Sent: Thursday, 27 September 2018 4:45 p.m.
To: Cecilia Warren
Subject: Re: Official Information Act request [UNCLASSIFIED]

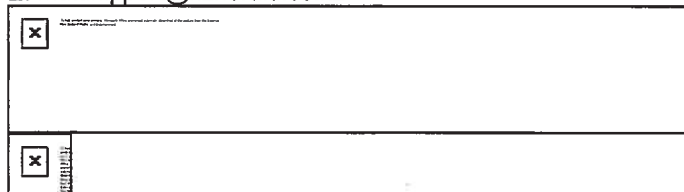
Midday tomorrow will likely squeak into the story.

Thanks for the update.

Cheers,

MATT NIPPERT
INVESTIGATIONS REPORTER

D: +64 9 373 6400 ex 98173 M: +64 21 193 1011
E: matt.nippert@nzherald.co.nz



From: Cecilia Warren <Cecilia.Warren@mbie.govt.nz>
Sent: Thursday, 27 September 2018 4:36 p.m.
To: Matt Nippert; Matt Nippert
Subject: RE: Official Information Act request [UNCLASSIFIED]

Dear Mr Nippert

We are still working on your response but I don't believe I will be in a position to send it through by close of play today. I do however expect to have a response for you no later than midday tomorrow. I do appreciate you have your own timeframes and deadlines to work towards, and if I can finalise the response any sooner I will pass it to you.

Kind regards,
Cecilia Warren

From: Matt Nippert [mailto:Matt.Nippert@nzme.co.nz]
Sent: Wednesday, 26 September 2018 12:01 p.m.
To: Cecilia Warren
Subject: RE: Official Information Act request [UNCLASSIFIED]

Celia,

I'll need to hear back from you guys by the end of tomorrow on this: I'm writing a story for Saturday paper. If we can't get a resolution on this I'll need to note the dispute and cover whatever pops out of the Ombudsman in a second story further down the line.

Cheers,

Matt Nippert

Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Friday, 21 September 2018 1:57 p.m.
To: Matt Nippert
Subject: RE: Official Information Act request [UNCLASSIFIED]

Dear Mr Nippert,

Thank you for getting in touch and for outlining your query. If you can allow me a few days to review this I will come back to you with a considered response to your request. Just to note, as this may not have been entirely clear from the papers, is that the way the NZSPG operates means that the applicant (and recipient) of the grant is the international production studio – not the NZ company providing the service or product in respect of the production.

I'll be back in touch once I have an answer to your request.

Kind regards,
Cecilia

From: Matt Nippert [mailto:Matt.Nippert@nzme.co.nz]
Sent: Friday, 21 September 2018 9:58 a.m.
To: Cecilia Warren
Subject: RE: Official Information Act request [UNCLASSIFIED]

Thanks for this.

I'd note you've declined to request of Annex 2 of the May 4, 2018 Briefing: Introductory meeting with Weta Group, citing 9(2)(ba)i.

It's fair to say I do not agree with this assessment and ask that it be reconsidered. The information sought – grants to Weta – are not Weta's information to claim confidentiality over – it is the spending of public funds and should be public.

I'm making this request to hopefully resolve this matter informally, as going to the Ombudsman adds administrative and time delays to both of us that I presume we'd both prefer to avoid.

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Friday, 21 September 2018 7:38 a.m.
To: Matt Nippert
Subject: Official Information Act request [UNCLASSIFIED]

Dear Mr Nippert,

Cecilia Warren

From: Matt Nippert <Matt.Nippert@nzme.co.nz>
Sent: Friday, 21 September 2018 1:58 p.m.
To: Cecilia Warren
Subject: RE: Official Information Act request [UNCLASSIFIED]

Cecilia,

Totally understand the grants are to production companies, who have spent money on domestic firms like Weta.

Look forward to hearing back from you next week: Much prefer to resolve things directly than let matters drag for months.

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Friday, 21 September 2018 1:57 p.m.
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I'll be back in touch once I have an answer to your request.

Kind regards,
Cecilia

From: Matt Nippert [mailto:Matt.Nippert@nzme.co.nz]
Sent: Friday, 21 September 2018 9:58 a.m.
To: Cecilia Warren
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I'm making this request to hopefully resolve this matter informally, as going to the Ombudsman adds administrative and time delays to both of us that I presume we'd both prefer to avoid.

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 193 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

From: Cecilia Warren [<mailto:Cecilia.Warren@mbie.govt.nz>]
Sent: Friday, 21 September 2018 7:38 a.m.
To: Matt Nippert
Subject: Official Information Act request [UNCLASSIFIED]

Dear Mr Nippert,

Please find attached a response to your Official Information Act request of 27 July 2018.

Regards,

Cecilia Warren

Cecilia Warren
SENIOR POLICY ADVISOR – SCREEN SECTOR
Tourism and Economic Development Branch | Labour, Science and Enterprise Group
E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5074
15 Stout Street, PO Box 1473, Wellington 6011, New Zealand



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Cecilia Warren

From: Matt Nippert <Matt.Nippert@nzherald.co.nz>
Sent: Friday, 27 July 2018 2:47 p.m.
To: *OIA
Subject: Revised: Cleaned up request for SPG briefings/correspondence

Categories: James

To whom it may concern at MBIE,

With respect I request the following information under the terms of the Official Information Act 1982:

- 1) Advice given to the minister by officials – including briefings, aide memoire and other verbal or written content - over the SPG, particularly whether spending should be capped, delivered since the 2017 General Election.
- 2) Correspondence received from the film sector, both local and international - and replies to such correspondence - concerning the SPG in the three months prior to the receipt of this request.

The information sought in this request is to be used as part of a report by the *NZ Herald* film subsidy policy. As the information will be used to inform the public about an important issue of accountability and public spending in matters that have already had considerable media coverage, I ask that any fee be waived.

It is understood elements of the requested information might not be considered public information. If this is the case, I would ask each element is considered separately, described as best it can be and reasons for any information being declined being set against the information sought. I expect these may concern either s6(c) or 18(e).

I would like to register my desire to have the information provided electronically.

I anticipate receiving the information under the terms of the act, which stipulates a maximum period of 20 business days. It must be noted this is the maximum period for the response under the legislation and you are obliged to provide the information sought as soon as it reasonably practicable.

Written confirmation of receipt of this request would be appreciated.

If I can be of any assistance, or you wish to discuss clarifying this request, please call me on 09 373 6400 xt98173 or 021 193 1011.

Cheers,

Matt Nippert
Investigations Reporter
New Zealand Herald
+64 21 183 1011 / +64 9 373 6400 ex 98173
http://www.nzherald.co.nz/matt-nippert/news/headlines.cfm?a_id=644

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Cecilia Warren

From: Jennie Marjoribanks [TSY] <Jennie.Marjoribanks@treasury.govt.nz>
Sent: Wednesday, 19 September 2018 10:55 a.m.
To: Cecilia Warren
Subject: RE: Departmental OIA by journalist Matt Nippert [IN-CONFIDENCE]

Thanks for the heads up Cecilia, much appreciated.

Jennie

From: Cecilia Warren [<mailto:Cecilia.Warren@mbie.govt.nz>]
Sent: Wednesday, 19 September 2018 10:05 a.m.
To: Jennie Marjoribanks [TSY] <Jennie.Marjoribanks@treasury.govt.nz>
Subject: Departmental OIA by journalist Matt Nippert [IN-CONFIDENCE]

Hi Jennie

Just wanted to let you know we are finalising an OIA request by Matt Nippert from the NZ Herald. I'm not sure if you were on the desk when he published a series of stories on the NZSPG in late June, and he has a particular interest in the evaluation of the NZSPG. Mr Nippert requested all MBIE papers relevant to the NZSPG since the election, and any correspondence from industry in the 3 months prior to his request. That captured a number of reports and papers where the NZSPG was mentioned, [Section 9\(2\)\(g\)\(i\)](#)

[Section 9\(2\)\(g\)\(i\)](#)

Thanks and best regards,
Cecilia

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5024 | [Section 9\(2\)\(a\)](#)

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Cecilia Warren

From: Cecilia Warren
Sent: Thursday, 20 September 2018 10:00 a.m.
To: 'Peter Ramage'; 'Jennie Marjoribanks [TSY]'
Cc: Robyn Henderson
Subject: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]
Attachments: DOIA 1819-0136 FINAL documentation for release.pdf

Hi Peter and Jennie

We will send out the DOIA from Matt Nippert later today regarding his request for all advice sent to Minister Parker's office since the election on the SPG (particularly any advice on capping the grant), and any incoming correspondence from industry in the three months prior to the OIA request (and replies to this).

Section 9(2)(g)(i)

We know that Matt Nippert has a particular interest in the net economic benefit of the grant, and the evaluations undertaken to quantify this. We assume his current line of enquiry related to capping relates to comments in Nippert's earlier article in June: https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12079538

Parker said, given the escalating costs of the scheme, he was now considering advice from Treasury about limiting the amount the Government would spend each year.

"We certainly haven't made a decision to axe the subsidies. One of the questions that has been raised with officials with Treasury is whether you can somehow cap it," he said.

Parker said he was open to such a move, but mindful of competing advice from the Ministry of Business, Innovation and Employment it could create uncertainty making New Zealand a less attractive filming destination

Section 9(2)(g)(i)

It may be useful if you could alert your relevant Ministers' offices of the release and potential for further media interest in this area.

Any questions don't hesitate to call.

Thanks and best regards,
Cecilia

Cecilia Warren
SENIOR POLICY ADVISOR – SCREEN SECTOR
Tourism and Economic Development Branch | Labour, Science and Enterprise Group

Cecilia Warren

From: Cecilia Warren
Sent: Thursday, 20 September 2018 3:20 p.m.
To: 'Jennie Marjoribanks [TSY]'
Subject: RE: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Let me know if you need anything further – Out of scope

From: Jennie Marjoribanks [TSY] [mailto:Jennie.Marjoribanks@treasury.govt.nz]
Sent: Thursday, 20 September 2018 3:19 p.m.
To: Cecilia Warren
Subject: RE: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Thanks Cecilia.

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Thursday, 20 September 2018 3:08 p.m.
To: Jennie Marjoribanks [TSY] <Jennie.Marjoribanks@treasury.govt.nz>
Subject: RE: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Hi Jennie – yes our office is aware. Thanks, Cecilia

From: Jennie Marjoribanks [TSY] [mailto:Jennie.Marjoribanks@treasury.govt.nz]
Sent: Thursday, 20 September 2018 12:37 p.m.
To: Cecilia Warren
Subject: RE: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Hi Cecilia

One further quick query – is Minister Parker's office is aware of this too?

Thanks

Jennie Marjoribanks | Senior Analyst | The Treasury
Tel: +64 4 890 7438 | Jennie.Marjoribanks@treasury.govt.nz

From: Cecilia Warren [mailto:Cecilia.Warren@mbie.govt.nz]
Sent: Thursday, 20 September 2018 10:00 a.m.
To: Peter Ramage <Peter.Ramage@mch.govt.nz>; Jennie Marjoribanks [TSY] <Jennie.Marjoribanks@treasury.govt.nz>
Cc: Robyn Henderson <Robyn.Henderson@mbie.govt.nz>
Subject: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Hi Peter and Jennie

We will send out the DOIA from Matt Nippert later today regarding his request for all advice sent to Minister Parker's office since the election on the SPG (particularly any advice on capping the grant), and any incoming correspondence from industry in the three months prior to the OIA request (and replies to this).

We know that Matt Nippert has a particular interest in the net economic benefit of the grant, and the evaluations undertaken to quantify this. We assume his current line of enquiry related to capping relates to comments in Nippert's earlier article in June: https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12079538

Parker said, given the escalating costs of the scheme, he was now considering advice from Treasury about limiting the amount the Government would spend each year.

"We certainly haven't made a decision to axe the subsidies. One of the questions that has been raised with officials with Treasury is whether you can somehow cap it," he said.

Parker said he was open to such a move, but mindful of competing advice from the Ministry of Business, Innovation and Employment it could create uncertainty making New Zealand a less attractive filming destination.

Section 9(2)(g)(i)

It may be useful if you could alert your relevant Ministers' offices of the release and potential for further media interest in this area.

Any questions don't hesitate to call.

Thanks and best regards,
Cecilia

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5024 | Section 9(2)(a)

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Cecilia Warren

From: Cecilia Warren
Sent: Thursday, 20 September 2018 3:34 p.m.
To: 'Sean Torbit'
Subject: FW: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]
Attachments: DOIA 1819-0136 FINAL documentation for release.pdf

Hi Sean

Just checking in to make sure there were no concerns from your end before I hit send on the OIA re the SPG?

Thanks and best regards,
Cecilia

From: Cecilia Warren
Sent: Thursday, 20 September 2018 10:23 a.m.
To: 'Sean Torbit'
Cc: Robyn Henderson; Joe Dawson
Subject: Re: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Hi Sean

Just fyi also.

Sections 9(2)(g)(i)

Thanks,
Cecilia

From: Cecilia Warren
Sent: Thursday, 20 September 2018 10:00 a.m.
To: 'Peter Ramage'; 'Jennie Marjoribanks [TSY]'
Cc: Robyn Henderson
Subject: Departmental OIA from Matt Nippert re Screen Production Grant [IN-CONFIDENCE]

Hi Peter and Jennie

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Section 9(2)(g)(i)

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Section 9(2)(g)(i)

It may be useful if you could alert your relevant Ministers' offices of the release and potential for further media interest in this area.

Any questions don't hesitate to call.

Thanks and best regards,
Cecilia

Cecilia Warren

SENIOR POLICY ADVISOR – SCREEN SECTOR

Tourism and Economic Development Branch | Labour, Science and Enterprise Group

E: Cecilia.Warren@mbie.govt.nz | DDI: (+64) 4 897 5024 Section 9(2)(a)

15 Stout Street, PO Box 1473, Wellington 6011, New Zealand



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Cecilia Warren

From: Matt Nippert <Matt.Nippert@nzme.co.nz>
Sent: Friday, 28 September 2018 4:45 p.m.
To: Vernon Small; Cecilia Warren
Subject: Re: Weta share of spend

Been talking to Cecilia all week.

Carved out this part for later story. Numbers are fiddly, and some OIA unredactions came in late.

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On Fri, Sep 28, 2018 at 4:43 PM +1200, "Vernon Small" <Vernon.Small@parliament.govt.nz> wrote:

Hi Matt

Hope it's not too late for your deadline but I'm told your question putting Weta Digital's dominance of the PDV spend at 99.96% may set it a bit high. If you want to contact Cecilia – copied in – she will be able to help.

Cheers

v

Vernon Small | Senior Press Secretary
Office of Hon David Parker
Parliament Buildings | Wellington | New Zealand
DDI: (04) 817 8282 | Mobile: 021 849 517
Email: vernon.small@parliament.govt.nz

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Robyn Henderson

From: Robyn Henderson
Sent: Thursday, 27 September 2018 4:36 p.m.
To: Section 9(2)(a)
Subject: FW: Weta paper - as released [UNCLASSIFIED]
Attachments: 27092018163210-0001.pdf

Hi Section
9(2)(a) Out of scope
As discussed

Cheers
Robyn

-----Original Message-----

From: Cecilia Warren
Sent: Thursday, 27 September 2018 4:34 p.m.
To: Robyn Henderson
Subject: Weta paper - as released [UNCLASSIFIED]

Just to note the first page is blank

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Weta Digital – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio) ¹	Grant to service provider (approx.)
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Section 9(2)(b)(ii)

			Total	109,505,376
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Weta Workshop – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio)	Grant to service provider (approx.)
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Section 9(2)(b)(ii)

			Total	1,406,479
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Park Road Post – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio)	Grant to service provider (approx.)
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Section 9(2)(b)(ii)

			Total	703,352
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Pukeko Pictures – New Zealand Screen Production Grants

Production title	Studio	Grant approval date	Total approved grant (to studio)	Grant to service provider (approx.)
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Section 9(2)(b)(ii)

			Total	5,500,139
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Text messages:

Fri, 28 Sept, 3.07PM:

Robyn Henderson (MBIE) to ^{Section 9(2)(a)} (liaison for Weta)

Hi ^{Section 9(2)(a)} ^{Out of scope} I

Our DCE has agreed we need to release the aggregated numbers so we will be sending that to Matt N now. Will clarify the payment situation. Cheers, Robyn

^{Section 9(2)(a)} (liaison for Weta) to Robyn Henderson (MBIE)

Hi Robyn ^{Out of scope}

Will pass that along. We obviously have a different view and I have been asked to advise that we will be seeking legal review of this process as a fair bit of unhappiness with this on top of what occurred last time. Cheers ^{Section 9(2)(a)}

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